MARYLAND HEALTH CARE COMMISSION

BID BOARD NOTICE

Procurement ID Number: MHCC 12-026

Issue Date: April 10, 2012

Title: The Progress of Implementing Electronic Prior

Authorizations

I. Purpose

The Maryland Health Care Commission (MHCC or Commission) intends to select a contractor on a time and materials basis to assist with fulfilling the requirements of House Bill 470, *Maryland Health Care Commission – Preauthorization of Health Care Services – Benchmarks*, (HB 470) that was passed during the 2012 legislative session. In July 2011, the Joint Committee on Health Care Delivery and Financing of the Maryland General Assembly requested that the MHCC develop recommendations around best practices and standards for electronic prior authorizations of prescription medications and medical services. Prior authorization is required by many state-regulated payers and third party administrators (TPAs)² before certain prescriptions for medications may be filled or medical services may be undertaken.³

Prior authorizations are generally required when the payer or TPA wishes to conduct a medical review to ensure that the drug is prescribed properly or the medical service is warranted. The prior authorization process varies widely from one payer or TPA to another; in most cases it is manual, relying heavily on faxes and phone calls. The MHCC convened a multi-stakeholder workgroup (workgroup) to help develop recommendations for electronic prior authorization requests. In general, the consensus of the workgroup was to focus on short-term solutions that incrementally reduce the burden on providers, payers, and TPAs, and require minimal rework once national standards are adopted. The workgroup resulted in the *Recommendations for Implementing Electronic Prior Authorizations* report (recommendations).⁴

II. Requirements

The MHCC is an independent regulatory agency whose mission is to plan for health system needs, promote informed decision-making, increase accountability, and improve access in a rapidly changing health care environment by providing timely and accurate information on availability, cost, and quality of services to policy makers, purchasers, providers and the public. Through a combination of interviews and

¹ Available online at: http://mlis.state.md.us/2012rs/billfile/hb0470.htm.

² State-regulated payors are insurers, nonprofit health services plans, or any other person that provides health benefit plans subject to regulation by the State. Self-insured health care plans and government plans are exempt from State insurance regulation under the Employee Retirement Security Act of 1974 (ERISA). State mandated health insurance benefits affect around 25 percent of insured Maryland residents. Additional information is available from the U.S. Department of Labor at: http://www.dol.gov/dol/topic/health-plans/erisa.htm. Third party administrators are identified based on their Maryland Corporation Income Tax Statement.

³ Prior authorization does not include member coverage determination.

⁴ Available online at: http://mhcc.maryland.gov/electronichealth/prior_auth_final.pdf.

ad hoc research, the contractor will assist the MHCC in fulfilling the requirements of HB 470 and developing a report for the Governor and General Assembly. The contractor will work closely with the MHCC in completing all aspects of the work.

Payers and TPAs are tasked to report to the MHCC by December 1, 2012 to ensure that payers and TPAs are adopting the recommendations, and that they have a plan for implementing the recommendations, including implementation timeframes. The report must include an update on the status of the implementation of the recommendations, and an outline of their plan for implementing the remaining recommendations, including feedback on meeting the timeframes. The contractor is required to develop guidelines for the report from payers and TPAs. The contractor will work with payers, TPAs and the MHCC to: determine the best method of report submission; develop a reporting template for payers and TPAs, including formatting requirements; and identify the reporting elements. Working with payers and TPAs to provide assistance in submitting their reports to the MHCC is also a requirement of the contractor. The contractor will also be required to develop a report that will be submitted to the Governor and General Assembly, which evaluates the findings from payers and TPAs in the execution of the recommendations and identifies challenges in implementing the recommendations.

The contractor is required to perform the following activities:

- 1. Conduct a literature review of national activities related to electronic prior authorization for medical services and prescription drugs.
- 2. Work with payers and TPAs to determine the actual number of procedures and prescription drugs that require prior authorization in Maryland as well as the volume (or reasonable estimates) of prior authorization requests in Maryland during calendar year 2011.
- Identify any provider, payer, and TPA adoption challenges that may have emerged since the
 recommendations were released and develop recommendations to mitigate these adoption
 challenges.
- 4. Convene a multi-stakeholder workgroup on or before September 28, 2012 to:
 - Review the progress in attaining the benchmarks described in the recommendations;
 - Review the recommendation benchmark dates and propose adjustments to the MHCC for meeting the benchmark dates; and
 - Identify key payer and TPA barriers with implementing the requirements and achieving the benchmark dates.
- 5. Develop a strategy for payers and TPAs to notify and educate providers of the changes in the prior authorization process.
- 6. Propose a detailed final report outline to the MHCC.
- 7. Identify the reporting requirements for payers and TPAs to detail to the MHCC their progress in implementing the benchmark dates in the report.
- 8. Collect and analyze payer and TPA compliance information with the benchmarks.
- 9. Develop the final report to the Governor and General Assembly that, at a minimum, includes:
 - Background;
 - Literature review;
 - Benchmark requirements;
 - Overview of the multi-stakeholder workgroup;
 - Findings from the data submitted by payers and TPAs on achieving the benchmarks;
 - Any recommendations for policies needed to address unique concerns of providers;

- Any adjustment needed to the benchmark dates;
- A strategy to inform providers about the changes to prior authorization requests; and
- Recommendations around regulation required to ensure payers and TPAs meet comply with the HB 470.

The contractor is expected to have an understanding of prior authorization for prescription medications and medical services and be well suited to gain an understanding of provider needs related to creating a more consistent process in Maryland. The contractor is also expected to have knowledge of how payers currently manage prior authorization and the recommendations for implementing electronic prior authorizations. The contractor must be familiar with the recommendations.

Alternatively, the responder may propose a different approach. The contractor has some latitude in deciding how to carry out the contract responsibilities and to make suggestions that will improve the project scope. Potential contractors must specify their expected approach in their response to this Bid Board Notice. If a bidder proposes to subcontract tasks, such as information gathering, analysis, and document development, the contractor must clearly identify and provide a detailed description of how any subcontractor(s) will carry out its assigned tasks. The contractor <u>must</u> have familiarity with state-regulated prior authorization requirements in Maryland. The MHCC must approve all activities specific to each task prior to performance of the work, and approve all deliverables before the deliverable will be considered complete.

Contract Deliverables & Due Dates

Key Deliverables	Due Date
Submit bi-weekly status reports on activities of the contractor	
Participate in bi-weekly status meetings (in-person or telephone conference call) with the MHCC	
Convene a multi-stakeholder workgroup	
Draft Agenda for the multi-stakeholder workgroup meeting	
Final Agenda for the multi-stakeholder workgroup meeting	
Identify the actual number of procedures and prescription drugs that require prior authorization in Maryland as well as the volume (or reasonable estimates) of prior authorization requests in Maryland during calendar year 2011	
Report outline draft	6/20/12
Final report outline	7/13/12
Draft literature review of national activities related to electronic prior authorization for medical services and prescription drugs	6/7/12
Final literature review of national activities related to electronic prior authorization for medical services and prescription drugs	6/29/12
Draft provider, payer, and TPA adoption challenges that may have emerged since the recommendations were released and develop recommendations to mitigate these adoption challenges section of the report	
Final provider, payer, and TPA adoption challenges that may have emerged since the recommendations were released and develop recommendations to mitigate these adoption challenges section of the report	10/19/12
Draft strategy for payers and TPAs to notify and educate providers of the changes in the prior authorization process section of the report	6/20/12
Final strategy for payers and TPAs to notify and educate providers of the changes in the prior authorization process section of the report	7/18/12
Draft reporting requirements for payers and TPAs to detail to the MHCC their progress in implementing the benchmark dates in the recommendations	8/1/12

Key Deliverables	Due Date
Final reporting requirements for payers and TPAs to detail to the MHCC their progress in implementing the benchmark dates in the recommendations	8/31/12
Collect payer and TPA compliance information with the benchmarks	9/28/12
Analyze payer and TPA compliance information with the benchmarks	10/12/12
Draft recommendations around regulation required to ensure payers and TPAs meet comply with the HB 470 section of the report	
Final recommendations around regulation required to ensure payers and TPAs meet comply with the HB 470section of the report	
Final draft report	1/1/13
Final report	2/1/13

Note: Contract deliverables/due dates are tentative and subject to change at the discretion of the MHCC and are not listed within the table in any particular order.

Staffing Requirements

The contractor may propose to augment or revise the following list of required personnel. The contractor must demonstrate how its proposed staffing model will complete the tasks in a timely manner. Proposals must include an hourly rate for the work to be performed and an estimate of the total number of hours required to complete each task.

Staffing Design

Labor Categories	Description
Project Director	A senior level individual that will coordinate all aspects of the work, take responsibility for meeting the schedule of deliverables, and ensure the delivery of high quality work products. (Writing sample required).
Project Manager	A management level individual with experience in managing workgroups that can ensure broad participation and facilitate discussion among all participants. (Writing sample required).
Policy Analyst	A technical expert with at least five years of health information technology and report writing experience. (Writing sample required).

REFERENCES

As part of its proposal the contractor will be required to include references for similar work it has performed with carriers and, if available, work performed specifically related to prior authorizations.

TERM OF CONTRACT

The contract begins on or about **May 9, 2012** and ends on **February 28, 2013**. Contractor billing is required by the 15th of the month for the prior month and must include a description of the completed tasks in accordance with the Deliverable Schedule in Section II. All deliverables and work must be performed to the satisfaction of the MHCC for reimbursement approval.

ISSUING OFFICER

The Issuing Officer for this solicitation is Sharon M.boa Wiggins, Procurement Officer, Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215.

SUBMISSION DEADLINE

To be eligible for consideration, bids must be received by the Issuing Officer at the Commission office by 4:00 p.m. April 25, 2012. All bids must include Federal Tax Identification (FEIN) and eMaryland

Marketplace (eMM) Numbers. Vendors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Commission. Bids may also be submitted electronically to swiggins@mhcc.state.md.us by the specified date and time.

In order to receive a contract award, vendors must be registered on eMaryland Marketplace (eMM). Registration is free. Go here to register: https://ebidmarkektplace.com. Click on "Registration" to begin the process and follow the prompts.

PROCUREMENT METHOD

The procurement method for this solicitation is a Small Procurement as described in the Code of Maryland Regulations (COMAR) 21.05.07. **The maximum award allowed under these regulations is \$25,000.**

REQUIRED DOCUMENTS

- 1. Please provide a brief (10 pages or less) description of your approach to completing the tasks.
- 2. Please include individual resumes, <u>writing samples</u>, and references for each of the personnel who are to be assigned if your organization is awarded the contract. (Appendices are not included in the page count.) Subcontractors, if any, must be identified, and a detailed description of their contributing role relative to the requirements of the proposal must also be included in the proposal. Each resume should include the amount of experience the individual has completed relative to the work requested for this solicitation. Letters of intended commitment to work on the project from personnel must also be included.

TERMINATION CLAUSE

The State of Maryland may terminate this contract at any time and for any reason. <u>Bidders must</u> acknowledge this statement in their response to this Bid Board Notice to be considered an acceptable response.

MINORITY BUSINESS ENTERPRISES AND SMALL BUSINESSES ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION